

Testimony
February 27, 2023
William Buhler

In Support of SB 351, An Act Concerning The Restructuring of Certain Taxes and Tax Equity and HB 5673, An Act Concerning the Reformation of Certain Taxes and Tax Equity

Good afternoon Senator Fonfara, Representative Horn and distinguished members of Finance, Revenue and Bonding. My name is William Buhler and I live in Cromwell. I am a retired state worker and Co-Chair of CSEA Legislative Action. Thank you for the opportunity to offer a brief view of our current fiscal situation.

While we appreciate federal pandemic support and unusually large tax receipts from volatile stock market gains, Connecticut should be generating revenue from its own economic growth. During the decade leading up to the pandemic, the state's economy did not grow at all. Unless substantive changes are made it's likely to return to its moribund state once federal support is expended.

Several moving parts contributed to the state's economic contraction. Revenue growth had been losing steam since 1989. The state tried to balance the budget with an austerity program of cuts in housing, healthcare, education and transportation. Income taxes were increased 3 times but the state did not correct its unbalanced revenue structure. Burdensome tax rates for low and middle income households and stagnating wages caused a loss of consumer spending, the primary driver of economic growth. The state's spending cuts above added to the economic shrinkage.

While we enjoy a temporary abundance of revenue we should plan to increase public investment in the services people need. SB 351 and HB 5673 offer proposals which will provide the necessary funding and promote economic expansion.

